

UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO

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DIV. OF OIL, GAS & MINING

IN RE:)
)
NORTH LILY MINING COMPANY) Case No. 01-23068 EEB
) Chapter 11
)
XERES TINTIC, LLC) Case No. 01-23069 EEB
) Chapter 11
Debtors)
)

**NOTICE PURSUANT TO LOCAL BANKRUPTCY RULE 202 OF STIPULATION FOR
WITHDRAWAL OF OBJECTION TO CONFIRMATION
FILED BY KEYSTONE SURVEY'S**

TO ALL PARTIES IN INTEREST:

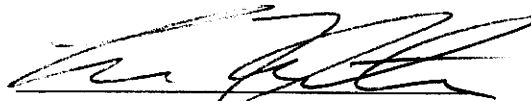
NOTICE IS HEREBY GIVEN that the movant named below has applied to this Court or is intending to take action as follows: Keystone Surveys, Inc. ("Keystone") and the Debtors, North Lily Mining Company and Xeres Tintic, LLC ("Debtors"), have entered into a Stipulation which partially resolves their disputes. The parties have agreed that: (1) the automatic stay is terminated to permit Keystone and the Debtors, as well as any other interested parties, to litigate the question of ownership of the Paymaster Claims to conclusion in a court of appropriate jurisdiction in Utah. The Utah court may enter a decree, judgment, or other appropriate order in connection with that matter and the prevailing party or parties shall be entitled to implement, collect upon and otherwise effectuate such decree, judgment or other order to the same extent as though no bankruptcy case had been commenced by the Debtors, and (2) nothing in the Debtors' Plan, if confirmed, or in any future Plan proposed in this case, or in any order confirming a plan, does or shall be deemed to impair or affect in any way Keystone's rights with respect to the Paymaster Claims. A copy of the pleading is on record with the Bankruptcy Court and obtainable online.

Pursuant to Rule 202 of the Local Rules of Bankruptcy Procedure, if you desire to oppose this action you must file a written objection and request for a hearing with the Court on or before **March 26, 2003**, and serve a copy thereof on the undersigned attorney. Objections and requests for hearing shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections will not be considered by the Court.

In the absence of a timely and substantiated objection and request for hearing by an interested party, the court may approve or grant the aforementioned application without any further notice to creditors or other interested parties.

Dated this 3rd day of March, 2003.

KUTNER MILLER KEARNS, P.C.



Lee W. Kutner, Esq.
303 East 17th Avenue, Suite 500
Denver, Colorado 80203

Attorneys for Debtors

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UNITED STATES BANKRUPTCY COURT
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**STIPULATION FOR WITHDRAWAL OF OBJECTION TO CONFIRMATION
FILED BY KEYSTONE SURVEY'S**

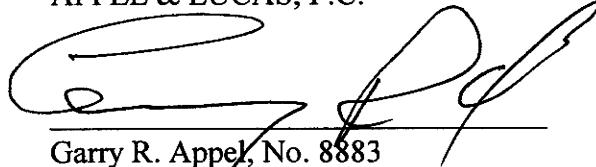
The Creditor, Keystone Surveys, Inc. ("Keystone"), by and through its attorneys, Appel & Lucas, P.C., and the Debtors, North Lily Mining Company and Xeres Tintic, LLC ("Debtors"), by and through their attorneys, Kutner Miller Kearns, P.C., hereby stipulate and agree as follows:

1. Keystone and the Debtors are parties to a dispute over ownership of the real property known as the "Paymaster Claims." Both the Debtor and Keystone claim ownership of the property. The Debtors claim that the Paymaster Claims form a portion of the remaining assets of the Debtors and the Debtors propose to fund their Plan, at least in part, by selling the Paymaster Claims.
2. On February 18, 2003, Keystone filed its Conditional Objection to Confirmation ("Objection") of the Debtors' Plan of Reorganization. The thrust of Keystone's Objection was that ownership of the Paymaster claims was undetermined and it appeared that the Plan proposed in a variety of different ways to effect Keystone's rights in a manner that was inconsistent with the Bankruptcy Court's decision to abstain from hearing the title dispute regarding the Paymaster Claims.
3. The Debtor and Keystone have now agreed to a partial resolution of their disputes and hereby stipulate and agree as follows:
 - a. The automatic stay is hereby terminated to permit Keystone and the Debtors, as well as any other interested parties, to litigate the question of ownership of the Paymaster Claims to conclusion in a court of appropriate jurisdiction in Utah. The Utah court may enter a decree, judgment, or other appropriate order in connection with that matter and the prevailing party or parties shall be entitled to implement, collect upon and otherwise effectuate such decree, judgment or other order to the same extent as though no bankruptcy case had been commenced by the Debtors.

- b. Nothing in the Debtors' Plan, if confirmed, or in any future Plan proposed in this case, or in any order confirming a plan, does or shall be deemed to impair or affect in any way Keystone's rights with respect to the Paymaster Claims. Without limiting the generality of the foregoing, neither the Plan nor confirmation of the Plan: (1) constitutes a determination of ownership of the Paymaster Claims; (2) permits the Debtor to sell the Paymaster Claims or any interest therein unless and until it is determined in the future litigation that the Debtor owns such claims^x; or (3) otherwise affects in any way Keystone's rights to the Paymaster Claims. **unless any sale is subject to the disputed claims* *Wf*
4. Upon approval of this Stipulation by the Bankruptcy Court, Keystone withdraws its Objection to confirmation of the Plan and withdraws its ballot rejecting the Plan.

Wherefore, the Debtors and Keystone have executed this Stipulation and agreed to its terms on this 28th day of February, 2003.

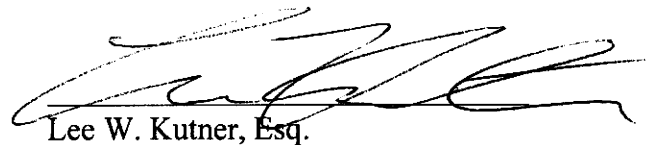
APPEL & LUCAS, P.C.



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